



gas | electric | steam | telecom

Commissioners:  
Francis J. Hoey, III  
Robert H. Griffin  
Raymond H. Feyre

Manager:  
James M. Lavelle

October 30, 2009

Luly E. Massaro  
Commission Clerk  
Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

Dear Ms. Massaro:

**SUBJECT:** Application for Rhode Island Existing Renewable Energy Resources Eligibility Holyoke Gas & Electric Department Existing Small Hydroelectric Facilities – Valley Hydro (Station No. 5)

Please find attached The City of Holyoke Gas and Electric Department (HG&E) application for Eligibility of Valley Hydro (Station No. 5), a small hydroelectric facility located in Holyoke, Massachusetts, as an Existing Renewable Energy Resource consistent with the Rhode Island Public Utilities Commission Renewable Portfolio Standard Program.

HG&E's hydroelectric system is based on the Hadley Falls Dam, which diverts flow from the mainstream of the Connecticut River and creates an impoundment for potential head and power. Flow and head at the dam are used immediately at the capstone Hadley Station (not included in this application). The diversion dam also feeds an elaborate network of canals, providing cascading head and flow to a series of smaller hydroelectric facilities and units.

Valley Hydro (Station No. 5) is a Run-of-River project facility located on the Second Level Canal and became operational in 1994. Holyoke Gas & Electric Department acquired this project in late 2004 due to the termination of a lease. This project is not connected to any other hydroelectric project. It is physically and electrically separate. The facility includes two 75 foot long, 6.5 foot diameter steel penstocks. There is a 16.5 foot-wide by 11 foot high arched brick-lined tailrace tunnel extending 375 feet long where the tailwater empties into the Connecticut River. The Valley Hydro (Station No. 5) generating unit has an installed capacity of 0.790 MW.

As requested, this submittal includes FERC Operating License and Connecticut DPUC Decisions as supporting eligibility documentation.

Please contact me if you have any questions or require additional information concerning this submission.

Sincerely,

Jeanette A. Sypek

Holyoke Gas & Electric Department  
Sr. Energy Resources Coordinator  
99 Suffolk Street  
Holyoke, MA 01040  
(413) 536-9373  
[jsypek@hged.com](mailto:jsypek@hged.com)

|                            |              |
|----------------------------|--------------|
| <b>RIPUC Use Only</b>      |              |
| Date Application Received: | __ / __ / __ |
| Date Review Completed:     | __ / __ / __ |
| Date Commission Action:    | __ / __ / __ |
| Date Commission Approved:  | __ / __ / __ |

|                                   |
|-----------------------------------|
| GIS Certification #:<br><br>_____ |
|-----------------------------------|

**RENEWABLE ENERGY RESOURCES ELIGIBILITY FORM**

**The Standard Application Form  
Required of all Applicants for Certification of Eligibility of Renewable Energy Resource  
(Version 6 – January 21, 2008)**

**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION  
Pursuant to the Renewable Energy Act  
Section 39-26-1 et. seq. of the General Laws of Rhode Island**

**NOTICE:**  
When completing this Renewable Energy Resources Eligibility Form and any applicable Appendices, please refer to the State of Rhode Island and Providence Plantations Public Utilities Commission Rules and Regulations Governing the Implementation of a Renewable Energy Standard (RES Regulations, Effective Date: January 1, 2006), and the associated RES Certification Filing Methodology Guide. All applicable regulations, procedures and guidelines are available on the Commission’s web site: [www.ripuc.org/utilityinfo/res.html](http://www.ripuc.org/utilityinfo/res.html). Also, all filings must be in conformance with the Commission’s Rules of Practice and Procedure, in particular, Rule 1.5, or its successor regulation, entitled “Formal Requirements as to Filings.”

- Please complete the Renewable Energy Resources Eligibility Form and Appendices using a typewriter or black ink.
- Please submit one original and three copies of the completed Application Form, applicable Appendices and all supporting documentation to the Commission at the following address:  

Rhode Island Public Utilities Commission  
89 Jefferson Blvd  
Warwick, RI 02888  
Attn: Renewable Energy Resources Eligibility
- In addition to the paper copies, electronic/email submittals are required under Commission regulations. Such electronic submittals should be sent to: Luly E. Massaro, Commission Clerk at [lmassaro@puc.state.ri.us](mailto:lmassaro@puc.state.ri.us)
- In addition to filing with the Commission, Applicants are required to send, electronically or electronically and in paper format, a copy of the completed Application including all attachments and supporting documentation, to the Division of Public Utilities and Carriers and to all interested parties. A list of interested parties can be obtained from the Commission’s website at [www.ripuc.org/utilityinfo/res.html](http://www.ripuc.org/utilityinfo/res.html).
- Keep a copy of the completed Application for your records.
- The Commission will notify the Authorized Representative if the Application is incomplete.
- Pursuant to Section 6.0 of the RES Regulations, the Commission shall provide a thirty (30) day period for public comment following posting of any administratively complete Application.
- Please note that all information submitted on or attached to the Application is considered to be a public record unless the Commission agrees to deem some portion of the application confidential after consideration under section 1.2(g) of the Commission’s Rules of Practice and Procedure.
- In accordance with Section 6.2 of the RES Regulations, the Commission will provide prospective reviews for Applicants seeking a preliminary determination as to whether a facility would be eligible prior to the formal certification process described in Section 6.1 of the RES Regulations. Please note that space is provided on the Form for applicant to designate the type of review being requested.
- Questions related to this Renewable Energy Resources Eligibility Form should be submitted in writing, preferably via email and directed to: Luly E. Massaro, Commission Clerk at [RES@puc.state.ri.us](mailto:RES@puc.state.ri.us)

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**SECTION I: Identification Information**

- 1.1 Name of Generation Unit (sufficient for full and unique identification):  
Valley Hydro (Station No. 5)
- 1.2 Type of Certification being requested (check one):  
 Standard Certification       Prospective Certification (Declaratory Judgment)
- 1.3 This Application includes: (Check all that apply)<sup>1</sup>
- APPENDIX A: Authorized Representative Certification for Individual Owner or Operator
  - APPENDIX B: Authorized Representative Certification for Non-Corporate Entities Other Than Individuals
  - APPENDIX C: Existing Renewable Energy Resources
  - APPENDIX D: Special Provisions for Aggregators of Customer-sited or Off-grid Generation Facilities
  - APPENDIX E: Special Provisions for a Generation Unit Located in a Control Area Adjacent to NEPOOL
  - APPENDIX F: Fuel Source Plan for Eligible Biomass Fuels
- 1.4 Primary Contact Person name and title: Brian C. Beauregard, Superintendent – Electric Division
- 1.5 Primary Contact Person address and contact information:  
Address: Holyoke Gas & Electric Department  
99 Suffolk Street  
Holyoke, MA 01040  
Phone: (413) 536-9352 Fax: (413) 536-9353  
Email: bbeauregard@hged.com
- 1.6 Backup Contact Person name and title: Jeanette A. Sypek  
Senior Energy Resources Coordinator
- 1.7 Backup Contact Person address and contact information:  
Address: Holyoke Gas & Electric Department  
99 Suffolk Street  
Holyoke, MA 01040  
Phone: (413) 536-9373 Fax: (413) 536-9353  
Email: jsypek@hged.com

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<sup>1</sup> Please note that all Applicants are required to complete the Renewable Energy Resources Eligibility Standard Application Form and all of the Appendices that apply to the Generation Unit or Owner or Operator that is the subject of this Form. Please omit Appendices that do not apply.

- 1.8 Name and Title of Authorized Representative (*i.e.*, the individual responsible for certifying the accuracy of all information contained in this form and associated appendices, and whose signature will appear on the application):

James M. Lavelle, Manager

Appendix A or B (as appropriate) completed and attached?  Yes  No  N/A

- 1.9 Authorized Representative address and contact information:

Address: Holyoke Gas & Electric Department  
99 Suffolk Street  
Holyoke, MA 01040  
Phone: (413) 536-9352 Fax: (413) 536-9353  
Email: bbeauregard@hged.com

- 1.10 Owner name and title: Holyoke Gas & Electric Department, James M. Lavelle, Manager

- 1.11 Owner address and contact information:

Address: Holyoke Gas & Electric Department  
99 Suffolk Street  
Holyoke, MA 01040  
Phone: (413) 536-9311 Fax: (413) 536-9315  
Email: jlavelle@hged.com

- 1.12 Owner business organization type (check one):

Individual

Partnership

Corporation

Other: \_\_\_\_\_

- 1.13 Operator name and title: Holyoke Gas & Electric Dept., Paul Ducheny, Superintendent – Hydro Division

- 1.14 Operator address and contact information:

Address: Holyoke Gas & Electric Department  
99 Suffolk Street  
Holyoke, MA 01040  
Phone: (413) 536-9340 Fax: (413) 536-9353  
Email: ducheney@hged.com

- 1.15 Operator business organization type (check one):

Individual

Partnership

Corporation

Other: \_\_\_\_\_

**SECTION II: Generation Unit Information, Fuels, Energy Resources and Technologies**

2.1 ISO-NE Generation Unit Asset Identification Number or NEPOOL GIS Identification Number (either or both as applicable): ISO-NE Asset ID# 14623, GIS ID# MSS14623

2.2 Generation Unit Nameplate Capacity: 0.790 MW

2.3 Maximum Demonstrated Capacity: 0.790 MW

2.4 Please indicate which of the following Eligible Renewable Energy Resources are used by the Generation Unit: (Check ALL that apply) – *per RES Regulations Section 5.0*

- Direct solar radiation
- The wind
- Movement of or the latent heat of the ocean
- The heat of the earth
- Small hydro facilities
- Biomass facilities using Eligible Biomass Fuels and maintaining compliance with all aspects of current air permits; Eligible Biomass Fuels may be co-fired with fossil fuels, provided that only the renewable energy fraction of production from multi-fuel facilities shall be considered eligible.
- Biomass facilities using unlisted biomass fuel
- Biomass facilities, multi-fueled or using fossil fuel co-firing
- Fuel cells using a renewable resource referenced in this section

2.5 If the box checked in Section 2.4 above is “Small hydro facilities”, please certify that the facility’s aggregate capacity does not exceed 30 MW. – *per RES Regulations Section 3.31*

- ← check this box to certify that the above statement is true
- N/A or other (please explain) \_\_\_\_\_

2.6 If the box checked in Section 2.4 above is “Small hydro facilities”, please certify that the facility does not involve any new impoundment or diversion of water with an average salinity of twenty (20) parts per thousand or less. – *per RES Regulations Section 3.31*

- ← check this box to certify that the above statement is true
- N/A or other (please explain) \_\_\_\_\_

2.7 If you checked one of the Biomass facilities boxes in Section 2.1 above, please respond to the following:

A. Please specify the fuel or fuels used or to be used in the Unit: \_\_\_\_\_

B. Please complete and attach Appendix F, Eligible Biomass Fuel Source Plan.  
Appendix F completed and attached?  Yes  No  N/A

- 2.8 Has the Generation Unit been certified as a Renewable Energy Resource for eligibility in another state's renewable portfolio standard?  
 Yes       No      If yes, please attach a copy of that state's certifying order.  
Copy of State's certifying order attached?       Yes     No     N/A

**SECTION III: Commercial Operation Date**

Please provide documentation to support all claims and responses to the following questions:

- 3.1 Date Generation Unit first entered Commercial Operation: 1 1 / 0 1 / 19 94 at the site.
- 3.2 Is there an Existing Renewable Energy Resource located at the site of Generation Unit?  
 Yes  
 No
- 3.3 If the date entered in response to question 3.1 is earlier than December 31, 1997 or if you checked "Yes" in response to question 3.2 above, please complete Appendix C.  
Appendix C completed and attached?       Yes     No     N/A
- 3.4 Was all or any part of the Generation Unit used on or before December 31, 1997 to generate electricity at any other site?  
 Yes  
 No
- 3.5 If you checked "Yes" to question 3.4 above, please specify the power production equipment used and the address where such power production equipment produced electricity (attach more detail if the space provided is not sufficient):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SECTION IV: Metering**

- 4.1 Please indicate how the Generation Unit's electrical energy output is verified (check all that apply):  
 ISO-NE Market Settlement System  
 Self-reported to the NEPOOL GIS Administrator  
 Other (please specify below and see Appendix D: Eligibility for Aggregations):  
\_\_\_\_\_  
  
Appendix D completed and attached?       Yes     No     N/A

**SECTION V: Location**

5.1 Please check one of the following that apply to the Generation Unit:

- Grid Connected Generation
- Off-Grid Generation (not connected to a utility transmission or distribution system)
- Customer Sited Generation (interconnected on the end-use customer side of the retail electricity meter in such a manner that it displaces all or part of the metered consumption of the end-use customer)

5.2 Generation Unit address: 4 Valley Mills Road  
Holyoke, MA 01040  
\_\_\_\_\_  
\_\_\_\_\_

5.3 Please provide the Generation Unit’s geographic location information:

- A. Universal Transverse Mercator Coordinates: 42.20907, -72.596
- B. Longitude/Latitude: W 72°35' 45.60" / N 42°12' 32.65"

5.4 The Generation Unit located: (please check the appropriate box)

- In the NEPOOL control area
- In a control area adjacent to the NEPOOL control area
- In a control area other than NEPOOL which is not adjacent to the NEPOOL control area ← *If you checked this box, then the generator does not qualify for the RI RES – therefore, please do not complete/submit this form.*

5.5 If you checked “In a control area adjacent to the NEPOOL control area” in Section 5.4 above, please complete Appendix E.

Appendix E completed and attached?  Yes  No  N/A

## SECTION VI: Certification

- 6.1 Please attach documentation, using one of the applicable forms below, demonstrating the authority of the Authorized Representative indicated in Section 1.8 to certify and submit this Application.

### Corporations

If the Owner or Operator is a corporation, the Authorized Representative shall provide **either**:

- (a) Evidence of a board of directors vote granting authority to the Authorized Representative to execute the Renewable Energy Resources Eligibility Form, **or**
- (b) A certification from the Corporate Clerk or Secretary of the Corporation that the Authorized Representative is authorized to execute the Renewable Energy Resources Eligibility Form or is otherwise authorized to legally bind the corporation in like matters.

Evidence of Board Vote provided?  Yes  No  N/A

Corporate Certification provided?  Yes  No  N/A

### Individuals

If the Owner or Operator is an individual, that individual shall complete and attach APPENDIX A, or a similar form of certification from the Owner or Operator, duly notarized, that certifies that the Authorized Representative has authority to execute the Renewable Energy Resources Eligibility Form.

Appendix A completed and attached?  Yes  No  N/A

### Non-Corporate Entities

(Proprietorships, Partnerships, Cooperatives, etc.) If the Owner or Operator is not an individual or a corporation, it shall complete and attach APPENDIX B or execute a resolution indicating that the Authorized Representative named in Section 1.8 has authority to execute the Renewable Energy Resources Eligibility Form or to otherwise legally bind the non-corporate entity in like matters.

Appendix B completed and attached?  Yes  No  N/A



6.2 Authorized Representative Certification and Signature:

I hereby certify, under pains and penalties of perjury, that I have personally examined and am familiar with the information submitted herein and based upon my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties, both civil and criminal, for submitting false information, including possible fines and punishment. My signature below certifies all information submitted on this Renewable Energy Resources Eligibility Form. The Renewable Energy Resources Eligibility Form includes the Standard Application Form and all required Appendices and attachments. I acknowledge that the Generation Unit is obligated to and will notify the Commission promptly in the event of a change in a generator's eligibility status (including, without limitation, the status of the air permits) and that when and if, in the Commission's opinion, after due consideration, there is a material change in the characteristics of a Generation Unit or its fuel stream that could alter its eligibility, such Generation Unit must be re-certified in accordance with Section 9.0 of the RES Regulations. I further acknowledge that the Generation Unit is obligated to and will file such quarterly or other reports as required by the Regulations and the Commission in its certification order. I understand that the Generation Unit will be immediately de-certified if it fails to file such reports.

Signature of Authorized Representative:

SIGNATURE:

DATE:

James M. Lavelle

10/30/09

Manager

(Title)

**CERTIFICATE**


**City of Holyoke Gas & Electric Department**

I, Secretary of the Municipal Light Commission of the City of Holyoke, Massachusetts, Gas & Electric Department (HG&E) certify that at a meeting of the Commission held on June 16, 2008 of which meeting all members of the board were duly notified and at which a quorum was present and acting throughout, the following votes were unanimously passed, all of which appears in the official records of the board in my custody:

- VOTED:
- (1) to authorize and direct James M. Lavelle, Manager to execute and deliver an Application under Section 1.8 of the State of Rhode Island Public Utilities Commission Renewable Energy Resources Eligibility Form on behalf of HG&E; and
  - (2) that the Manager is hereby authorized and directed to take any other action he deems necessary or advisable to carry out the purposes of these votes; and
  - (3) that any actions taken by the Manager consistent with the purposes of these votes are hereby ratified and confirmed.

I further certify that these votes were taken at a meeting open to the public; that notice stating the place, date and time of the meeting was filed with the City Clerk and a copy thereof posted in the office of the City Clerk or on the principal official bulletin board of the city at least 48 hours, including Saturdays but not Sunday and legal holidays, prior to such meeting and remained so posted at the time of the meeting; that no deliberation or decision in connection with the above votes were taken in private or executive session; and that the official record of the meeting was made available to the public promptly and will remain so available to the public, all in accordance with G.L. c. 39, § 23B, as amended.

Dated: July 9, 2008

  
Secretary of the City of Holyoke Gas & Electric  
Commission

**APPENDIX C**

**(Required of all Applicants with Generation Units at the Site of Existing Renewable Energy Resources)**

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**RENEWABLE ENERGY RESOURCES ELIGIBILITY FORM**

**Pursuant to the Renewable Energy Act  
Section 39-26-1 et. seq. of the General Laws of Rhode Island**

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If the Generation Unit: (1) first entered into commercial operation before December 31, 1997; or (2) is located at the exact site of an Existing Renewable Energy Resource, please complete the following and attach documentation, as necessary to support all responses:

- C.1 Is the Generating Unit seeking certification, either in whole or in part, as a New Renewable Energy Resource?  Yes  No
- C.2 If you answered "Yes" to question C.1, please complete the remainder of Appendix C. If you answered "No" and are seeking certification entirely as an Existing Renewable Energy Resource, you do NOT need to complete the remainder of Appendix C.
- C.3 If an Existing Renewable Energy Resource is/was located at the site, has such Existing Renewable Energy Resource been retired and replaced with the new Generation Unit at the same site?  Yes  No
- C.4 Is the Generation Unit a Repowered Generation Unit (as defined in Section 3.28 of the RES Regulations) which uses Eligible Renewable Energy Resources and which first entered commercial operation after December 31, 1997 at the site of an existing Generation Unit?  Yes  No
- C.5 If you checked "Yes" to question C.4 above, please provide documentation to support that the entire output of the Repowered Generation Unit first entered commercial operation after December 31, 1997.
- C.6 Is the Generation Unit a multi-fuel facility in which an Eligible Biomass Fuel is first co-fired with fossil fuels after December 31, 1997?  Yes  No

- C.7 If you checked “Yes” to question C.6 above, please provide documentation to support that the renewable energy fraction of the energy output first occurred after December 31, 1997.
- C.8 Is the Generation Unit an Existing Renewable Energy Resource other than an Intermittent Resource (as defined in Section 3.9 and 3.14 of the RES Regulations)?  Yes  No
- C.9 If you checked “Yes” to question C.8 above, please attach evidence of completed capital investments after December 31, 1997 attributable to efficiency improvements or additions of capacity that are sufficient to, were intended to, and can be demonstrated to increase annual electricity output in excess of ten percent (10%). As specified in Section 3.22.v of the RES Regulations, the determination of incremental production shall not be based on any operational changes at such facility **not directly** associated with the efficiency improvements or additions of capacity.
- C.10 Is the Generating Unit an Existing Renewable Energy Resource that is an Intermittent Resource?  Yes  No
- C.11 If you checked “Yes” to question C.10 above, please attach evidence of completed capital investments after December 31, 1997 attributable to efficiency improvements or additions of capacity that are sufficient to, were intended to, and have demonstrated on a normalized basis to increase annual electricity output in excess of ten percent (10%). The determination of incremental production shall not be based on any operational changes at such facility **not directly** associated with the efficiency improvements or additions of capacity. In no event shall any production that would have existed during the Historical Generation Baseline period in the absence of the efficiency improvements or additions to capacity be considered incremental production. Please refer to Section 3.22.vi of the RES Regulations for further guidance.
- C.12 If you checked “Yes” to C.10, provide the single proposed percentage of production to be deemed incremental, attributable to the efficiency improvements or additions of capacity placed in service after December 31, 1997. Please provide backup information sufficient for the Commission to make a determination of this incremental production percentage.
- C.13 If you checked “no” to both C.3 and C.4 above, please complete the following:
- a. Was the Existing Renewable Energy Resource located at the exact site at any time during calendar years 1995 through 1997?  Yes  No
  - b. If you checked “yes” in Subsection (a) above, please provide the Generation Unit Asset Identification Number and the average annual electrical production (MWhs) for the three calendar years 1995 through 1997, or for the first 36 months after the Commercial Operation Date if that date is after December 31, 1994, for each such Generation Unit.

- c. Please attach a copy of the derivation of the average provided in (b) above, along with documentation support (such as ISO reports) for the information provided in Subsection (b) above. Data must be consistent with quantities used for ISO Market Settlement System.



# STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL  
TEN FRANKLIN SQUARE  
NEW BRITAIN, CT 06051

DOCKET NO. 04-01-35RE01      APPLICATION OF HOLYOKE GAS & ELECTRIC  
DEPARTMENT FOR QUALIFICATION OF VALLEY  
HYDRO AS A CLASS II RENEWABLE ENERGY  
SOURCE - REOPENER

December 14, 2005  
By the following Commissioners:

Anne C. George  
Donald W. Downes  
John W. Betkoski, III

## DECISION

### I. INTRODUCTION

#### A. SUMMARY

In this Decision, the Department of Public Utility Control (Department) determines that the Holyoke Station No. 5/Valley Hydro (Valley) generating facility qualifies as a Class II renewable energy source as a run-of-the-river hydroelectric facility and assigns it Connecticut Renewable Portfolio Standard (RPS) Registration Number CT00100-06.

#### B. BACKGROUND OF THE PROCEEDING

By application dated January 26, 2004, the Holyoke Gas & Electric Department (HG&E) requested that the Department determine that the Valley generation facility qualifies as a Class II renewable energy source. Valley is a run-of-the-river hydroelectric facility located in Holyoke, MA that began commercial operation on November 1, 1994 with a nameplate capacity of .55 MW. Application, pp. 1 and 2.

See Docket No. 04-02-07, DPUC Declaratory Ruling Concerning "Run-of-the-River Hydropower" as That Term is Used in the Definitions of Class I and Class II Renewable Energy Source in C.G.S. §16-1(a)(26) &(27).

As provided in the application, Valley is a hydroelectric facility located at 4 Valley Mills Road, Holyoke, MA. Valley is currently owned by HG&E. Application, p. 1. According to HG&E, there is one turbine generator at this facility, with a total nameplate capacity of .55 MW. Application, p. 2; FERC Order Issuing License (Minor Project) issued June 29, 1990, p. 3. In its Safety and Design Assessment Station No. 5 Hydroelectric Project issued June 12, 1990 (FERC Assessment), the FERC identified that the Valley project would not include a dam or other water-impounding devices, and that the project would be operated remotely in a run-of-river mode. FERC Assessment, pp 1 and 2. Valley began operations November 1, 1994. Application, p. 2.

Based on the foregoing, the Department determines that Valley qualifies as a Class II renewable energy facility.

### III. FINDINGS OF FACT

1. Valley is a hydroelectric facility located in Holyoke, MA.
2. Valley is currently owned by the Holyoke Gas & Electric Department.
3. FERC issued a license to Valley on June 29, 1990.
4. In its Safety and Design Assessment Station No. 5 Hydroelectric Project issued June 12, 1990 (FERC Assessment), FERC identified that the Valley project would be operated remotely in a run-of-river mode.
5. Valley has a nameplate capacity of .55 MW.
6. Valley began operations on November 1, 1994.

### IV. CONCLUSION

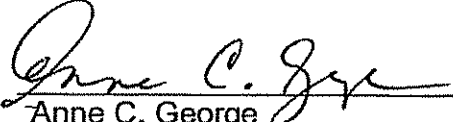
Based on the evidence submitted, the Department finds that Valley qualifies as a Class II renewable generation source pursuant to Conn. Gen. Stat. § 16-1(a)(27).


The Department assigns each renewable generation source a unique RPS registration number. Valley's Connecticut RPS registration number is CT00100-06.

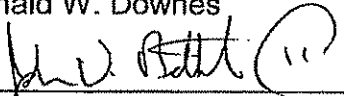
The Department's determination in this docket is based on the information submitted by HG&E. The Department may reverse its ruling or revoke the Applicant's registration if any material information provided by the Applicant proves to be false or misleading. The Department reminds HG&E that it is obligated to notify the Department within 10 days of any changes to any of the information it has provided to the Department.

DOCKET NO. 04-01-35RE01 APPLICATION OF HOLYOKE GAS & ELECTRIC  
DEPARTMENT FOR QUALIFICATION OF VALLEY  
HYDRO AS A CLASS II RENEWABLE ENERGY  
SOURCE - REOPENER

This Decision is adopted by the following Commissioners:


  
\_\_\_\_\_  
Anne C. George

  
\_\_\_\_\_  
Donald W. Downes

  
\_\_\_\_\_  
John W. Betkoski, III

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Department of Public Utility Control, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.

  
\_\_\_\_\_  
Louise E. Rickard  
Acting Executive Secretary  
Department of Public Utility Control

DEC 14 2005  
Date



HG#E 5 VALLEY

51 FEB 1 1990 8:31 A

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Holyoke Economic Development and  
Industrial Corporation

Project No. 10806-000  
Massachusetts

ORDER ISSUING LICENSE  
(Minor Project)  
( Issued June.29, 1990 )

Holyoke Economic Development and Industrial Corporation filed a license application under Part I of the Federal Power Act (Act) to construct, operate and maintain the Station No. 5 Project located on the second level canal on the west bank of the Connecticut River, in Hampden County, Massachusetts. The Connecticut River is a navigable waterway of the United States. 1/

Notice of the application has been published. No protests were filed in this proceeding, and no agency objected to issuance of this license. Comments received from interested agencies and individuals have been fully considered in determining whether to issue this license. A motion to intervene was filed by the Holyoke Water Power Company (HWP) in order to be a party in this proceeding. HWP also requests that any license issued which utilizes HWP's Holyoke Canal System water be conditioned to require cooperation with HWP as the licensee for the Hadley Falls Project No. 2004. Article 202 is included to provide for appropriate cooperation.

Comprehensive Planning

Sections 4(e) and 10(a)(1) of the Act require the Commission to consider and balance in the public interest, all uses of the waterway on which a project is proposed. Neither we nor the resource agencies have identified any conflicts between development and operation of the Station No. 5 Hydroelectric Project, as proposed by EDIC and (a) the environmental values of the project area or (b) other beneficial public uses of the waterway.

The proposed project would generate about 2,009 megawatt-hours (MWh) of electric energy per year. This power would displace fossil-fueled electric power plant generation, improve air quality, and conserve fossil fuels.

We have evaluated the effects of the proposed project on the resources of the project area and have found that the proposed project would have only minor, short-term adverse impacts as a result of resuspension of sediments during construction activities and project start-up.

No alternative was identified that would better use the project resources in terms of providing power and environmental benefits without significant environmental cost. We considered one alternative to licensing the Station No. 5 Hydroelectric Project -- no action. We concluded that denying the project application is not the recommended alternative for two reasons. (1) The environmental effects of rehabilitating and operating the project would be minor and short-term. (2) The electricity generated from a renewable resource would be used by Holyoke Electric, thus reducing the use of existing fossil-fueled generating plants and thereby conserving nonrenewable primary energy resources and reducing atmospheric pollution.

Section 10(a)(2) of the Act requires the Commission to also consider the extent to which a project is consistent with federal or state comprehensive plans for improving, developing, or conserving a waterway or waterways affected by the project. Under section 10(a)(2), federal and state agencies filed eight comprehensive plans that address various resources in Massachusetts. Of these, we identified and reviewed four plans relevant to this project 2/. No conflicts were found.

Based upon a review of the agency and public comments filed in this proceeding, and on our independent analysis pursuant to Sections 4(e), 10(a)(1), and 10(a)(2) of the Act, we conclude that the Station No. 5 Hydroelectric Project is best adapted to a comprehensive plan for the Connecticut River.

Summary of Findings

An EA was issued for this project. Background information, analysis of impacts, support for related license articles, and the basis for a finding of no significant impact on the environment are contained in the EA attached to this order. Issuance of this license is not a major federal action significantly affecting the quality of the human environment.

The design of this project is consistent with the engineering standards governing dam safety. The project will be safe if constructed, operated and maintained in accordance with the requirements of this license. Analysis of related issues is provided in the Safety and Design Assessment attached to this order.

The Director, Office of Hydropower Licensing, concludes that the project would not conflict with any planned or authorized

2/ For a list of the plans, see the attached Environmental Assessment.

development, and would be best adapted to comprehensive development of the waterway for beneficial public uses.

The Director orders:

(A) This license is issued to Holyoke Economic Development and Industrial Corporation (licensee), for a period of 40 years, effective the first day of the month in which this order is issued, to construct, operate and maintain the Station No. 5 Project. This license is subject to the terms and conditions of the Act, which is incorporated by reference as part of this license, and subject to the regulations the Commission issues under the provisions of the Act.

(B) The project consists of:

(1) All lands, to the extent of the licensee's interests in those lands, enclosed by the project boundary shown by exhibit G:

| <u>Exhibit G-</u> | <u>FERC No. 10806-</u> | <u>Showing</u>   |
|-------------------|------------------------|------------------|
| Sheet 1           | 4                      | Project Boundary |
| Sheet 2           | 5                      | Project Boundary |

(2) Project works consisting of: (a) a gated intake with trashracks located on the Second Level Canal of the Holyoke Water Power Company; (b) two 75-foot-long, 6.5-foot-diameter, steel penstocks; (c) a refurbished single-runner, vertical Kaplan turbine connected to a 790-kw generator; (d) a 375-foot-long, 16.5-foot-wide by 11-foot-high arched brick-lined tailrace tunnel; (e) a steel gate where the tailwater empties into the Connecticut River; (f) a 4.8-kilovolt, 370-foot-long interconnection with the Holyoke Gas and Electric Department's underground service line, and (g) appurtenant facilities.

The project works generally described above are more specifically shown and described by those portions of exhibits A and F recommended for approval in the attached Safety and Design Assessment.

(3) All of the structures, fixtures, equipment or facilities used to operate or maintain the project and located within the project boundary, all portable property that may be employed in connection with the project and located within or outside the project boundary, and all riparian or other rights that are necessary or appropriate in the operation or maintenance of the project.

(C) The exhibit G described above and those sections of exhibits A and F recommended for approval in the attached Safety and Design Assessment are approved and made part of the license.

(D) The following sections of the Act are waived and excluded from the license for this minor project:

4(b), except the second sentence; 4(e), insofar as it relates to approval of plans by the Chief of Engineers and the Secretary of the Army; 6, insofar as it relates to public notice and to the acceptance and expression in the license of terms and conditions of the Act that are waived here; 10(c), insofar as it relates to depreciation reserves; 10(d); 10(f); 14, except insofar as the power of condemnation is reserved; 15; 16; 19; 20; and 22.

(E) This license is subject to the articles set forth in Form L-14, (October 1975), entitled "Terms and Conditions of License for Unconstructed Minor Project Affecting Navigable Waters of the United States", except article 15, and the following additional articles:

Article 201. The licensee shall pay the United States the following annual charge, effective the first day of the month in which this license is issued:

For the purpose of reimbursing the United States for the cost of administration of Part I of the Act, a reasonable amount as determined in accordance with the provisions of the Commission's regulations in effect from time to time. The authorized installed capacity for that purpose is 1,050 horsepower.

Article 202. The licensee shall cooperate with the licensee for Project No. 2004 in order that the conditions of Article 16 of the license for Project No. 2004 can be fulfilled.

Article 203. The licensee shall clear and keep clear to an adequate width all lands along open conduits and shall dispose of all temporary structures, unused timber, brush, refuse, or other material unnecessary for the purposes of the project which result from maintenance, operation, or alteration of the project works. In addition, all trees along the periphery of project reservoirs which may die during operations of the project shall be removed. All clearing of lands and disposal of unnecessary material shall be done with due diligence to the satisfaction of the authorized representative of the Commission and in accordance with appropriate federal, state, and local statutes and regulations.

Article 301. The licensee shall commence construction of the project works within 2 years from the issuance date of the license and shall complete construction of the project within 4 years from the issuance date of the license.

Article 302. The licensee, at least 60 days before start of construction, shall submit one copy, to the Commission's Regional Director and two copies to the Director, Division of Dam Safety and Inspections, of the final contract drawings and specifications for pertinent features of the project, such as the power facilities, water conveyance structures, and all necessary transmission facilities. The Director, Division of Dam Safety and Inspections, may require changes in the plans and specifications to ensure a safe and adequate project.

Article 303. The licensee, within 90 days of completion of construction, shall file for Commission approval, revised exhibits A, F, and G, to describe and show the project as built, including all facilities determined by the Commission to be necessary and convenient for transmission of all of the project power to the interconnected system.

Article 304. The licensee shall review and approve the design of contractor-designed cofferdams and deep excavations before the start of construction and shall ensure that construction of the cofferdams and deep excavations is consistent with the approved design. At least 30 days before start of construction of any cofferdam, the licensee shall submit to the Commission's Regional Director, and the Director, Division of Dam Safety and Inspections, one copy each of the approved cofferdam construction drawings and specifications and letter(s) of approval.

Article 401. The licensee, after consulting with the Massachusetts Division of Fisheries and Wildlife (DFW) and the U.S. Fish and Wildlife Service (FWS), but at least 90 days prior to the start of project construction, shall file for Commission approval a schedule for undertaking any in-water rehabilitation construction work and silt cleaning operations that ensures that in-water rehabilitation construction work and silt cleaning operations do not occur during spawning runs of anadromous fish species. The Commission reserves the right to require changes to the schedule.

Article 402. The licensee, after consulting with the Massachusetts Division of Fisheries and Wildlife (DFW) and the U.S. Fish and Wildlife Service (FWS), shall develop a plan for installing, operating, and maintaining a trashrack structure to reduce entrainment of anadromous fish. The licensee, at least 90 days prior to the start of project construction, shall file for Commission approval functional design drawings of the project trashrack structure and a plan and schedule for installing the trashrack. This filing shall include, but not be limited to: (1) specifications of the size of the openings between the trashrack bars, which are not to exceed 1 inch, and the maximum intake approach velocity; (2) a description of the methods and schedule for installing the trashrack; and (3) documentation of

consultation with DFW and FWS and written comments and recommendations from these agencies on the plan and schedule. The Commission reserves the right to require changes to the functional design drawings and the construction schedule. The licensee shall file as-built drawings of the trashrack pursuant to article 303.

Article 403. Authority is reserved to the Commission to require the licensee to construct, operate, and maintain, or provide for the construction, operation, and maintenance of such fishways as may be prescribed by the Secretary of the Interior pursuant to Section 18 of the Federal Power Act.

Article 404. The licensee, before starting any activities within the project boundaries, other than those specifically authorized in this license, with the potential for affecting properties listed on or eligible for listing on the National Register of Historic Places -- in particular the Holyoke canal system and the Valley Paper Company's existing mill works -- shall consult with the Massachusetts State Historic Preservation Officer (SHPO).

If the licensee discovers previously unidentified archeological or historic properties during the course of constructing or developing project works or other facilities at the project, the licensee shall stop all land-clearing and land-disturbing activities in the vicinity of the properties and consult with the SHPO.

In either instance, the licensee shall file for Commission approval a cultural resource management plan prepared by a qualified cultural resource specialist after having consulted with the SHPO. The management plan shall include the following items: (1) a description of each discovered property indicating whether it is listed on or eligible to be listed on the National Register of Historic Places; (2) a description of the potential effect on each discovered property; (3) proposed measures for avoiding or mitigating effects; (4) documentation of the nature and extent of consultation; and (5) a schedule for mitigating effects and conducting additional studies. The Commission may require changes to the plan.

The licensee shall not begin land-clearing or land-disturbing activities, other than those specifically authorized in this license, or resume such activities in the vicinity of a property, discovered during construction, until informed that the requirements of this article have been fulfilled.

Article 405. (a) In accordance with the provisions of this article, the licensee shall have the authority to grant permission for certain types of use and occupancy of project lands and waters and to convey certain interests in project lands

and waters for certain types of use and occupancy, without prior Commission approval. The licensee may exercise the authority only if the proposed use and occupancy is consistent with the purposes of protecting and enhancing the scenic, recreational, and other environmental values of the project. For those purposes, the licensee shall also have continuing responsibility to supervise and control the use and occupancy for which it grants permission, and to monitor the use of, and ensure compliance with the covenants of the instrument of conveyance for, any interests that it has conveyed, under this article. If a permitted use or occupancy violates any condition of this article or any other condition imposed by the licensee for protection and enhancement of the project's scenic, recreational, or other environmental values, or if a covenant of a conveyance made under the authority of this article is violated, the licensee shall take any lawful action necessary to correct the violation. For a permitted use or occupancy, that action includes, if necessary, cancelling the permission to use and occupy the project lands and waters and requiring the removal of any non-complying structures and facilities.

(b) The type of use and occupancy of project lands and waters for which the licensee may grant permission without prior Commission approval are: (1) landscape plantings; (2) non-commercial piers, landings, boat docks, or similar structures and facilities that can accommodate no more than 10 watercraft at a time and where said facility is intended to serve single-family type dwellings; and (3) embankments, bulkheads, retaining walls, or similar structures for erosion control to protect the existing shoreline. To the extent feasible and desirable to protect and enhance the project's scenic, recreational, and other environmental values, the licensee shall require multiple use and occupancy of facilities for access to project lands or waters. The licensee shall also ensure, to the satisfaction of the Commission's authorized representative, that the use and occupancies for which it grants permission are maintained in good repair and comply with applicable state and local health and safety requirements. Before granting permission for construction of bulkheads or retaining walls, the licensee shall: (1) inspect the site of the proposed construction, (2) consider whether the planting of vegetation or the use of riprap would be adequate to control erosion at the site, and (3) determine that the proposed construction is needed and would not change the basic contour of the reservoir shoreline. To implement this paragraph (b), the licensee may, among other things, establish a program for issuing permits for the specified types of use and occupancy of project lands and waters, which may be subject to the payment of a reasonable fee to cover the licensee's costs of administering the permit program. The Commission reserves the right to require the licensee to file a description of its standards, guidelines, and procedures for implementing this paragraph (b) and to require modification of those standards, guidelines, or procedures.

(c) The licensee may convey easements or rights-of-way across, or leases of, project lands for: (1) replacement, expansion, realignment, or maintenance of bridges and roads for which all necessary state and federal approvals have been obtained; (2) storm drains and water mains; (3) sewers that do not discharge into project waters; (4) minor access roads; (5) telephone, gas, and electric utility distribution lines; (6) non-project overhead electric transmission lines that do not require erection of support structures within the project boundary; (7) submarine, overhead, or underground major telephone distribution cables or major electric distribution lines (69-kV or less); and (8) water intake or pumping facilities that do not extract more than one million gallons per day from a project reservoir. No later than January 31 of each year, the licensee shall file three copies of a report briefly describing for each conveyance made under this paragraph (c) during the prior calendar year, the type of interest conveyed, the location of the lands subject to the conveyance, and the nature of the use for which the interest was conveyed.

(d) The licensee may convey fee title to, easements or rights-of-way across, or leases of project lands for: (1) construction of new bridges or roads for which all necessary state and federal approvals have been obtained; (2) sewer or effluent lines that discharge into project waters, for which all necessary federal and state water quality certification or permits have been obtained; (3) other pipelines that cross project lands or waters but do not discharge into project waters; (4) non-project overhead electric transmission lines that require erection of support structures within the project boundary, for which all necessary federal and state approvals have been obtained; (5) private or public marinas that can accommodate no more than 10 watercraft at a time and are located at least one-half mile from any other private or public marina; (6) recreational development consistent with an approved Exhibit R or approved report on recreational resources of an Exhibit E; and (7) other uses, if: (i) the amount of land conveyed for a particular use is five acres or less; (ii) all of the land conveyed is located at least 75 feet, measured horizontally, from the edge of the project reservoir at normal maximum surface elevation; and (iii) no more than 50 total acres of project lands for each project development are conveyed under this clause (d)(7) in any calendar year. At least 45 days before conveying any interest in project lands under this paragraph (d), the licensee must submit a letter to the Director, Office of Hydropower Licensing, stating its intent to convey the interest and briefly describing the type of interest and location of the lands to be conveyed (a marked exhibit G or K map may be used), the nature of the proposed use, the identity of any federal or state agency official consulted, and any federal or state approvals required for the proposed use. Unless the Director,

within 45 days from the filing date, requires the licensee to file an application for prior approval, the licensee may convey the intended interest at the end of that period.

(e) The following additional conditions apply to any intended conveyance under paragraph (c) or (d) of this article:

(1) Before conveying the interest, the licensee shall consult with federal and state fish and wildlife or recreation agencies, as appropriate, and the State Historic Preservation Officer.

(2) Before conveying the interest, the licensee shall determine that the proposed use of the lands to be conveyed is not inconsistent with any approved exhibit R or approved report on recreational resources of an exhibit E; or, if the project does not have an approved exhibit R or approved report on recreational resources, that the lands to be conveyed do not have recreational value.

(3) The instrument of conveyance must include covenants running with the land adequate to ensure that: (i) the use of the lands conveyed shall not endanger health, create a nuisance, or otherwise be incompatible with overall project recreational use; and (ii) the grantee shall take all reasonable precautions to insure that the construction, operation, and maintenance of structures or facilities on the conveyed lands will occur in a manner that will protect the scenic, recreational, and environmental values of the project.


(4) The Commission reserves the right to require the licensee to take reasonable remedial action to correct any violation of the terms and conditions of this article, for the protection and enhancement of the project's scenic, recreational, and other environmental values.

(f) The conveyance of an interest in project lands under this article does not in itself change the project boundaries. The project boundaries may be changed to exclude land conveyed under this article only upon approval of revised exhibit G or K drawings (project boundary maps) reflecting exclusion of that land. Lands conveyed under this article will be excluded from the project only upon a determination that the lands are not necessary for project purposes, such as operation and maintenance, flowage, recreation, public access, protection of environmental resources, and shoreline control, including shoreline aesthetic values. Absent extraordinary circumstances, proposals to exclude lands conveyed under this article from the project shall be consolidated for consideration when revised exhibit G or K drawings would be filed for approval for other purposes.

(g) The authority granted to the licensee under this article shall not apply to any part of the public lands and reservations of the United States included within the project boundary.

(F) The licensee shall serve copies of any Commission filing required by this order on any entity specified in this order to be consulted on matters related to that filing. Proof of service on these entities must accompany the filing with the Commission.

(G) This order is issued under authority delegated to the Director and is final unless appealed to the Commission by any party within 30 days from the issuance date of this order. Filing an appeal does not stay the effective date of this order or any date specified in this order. The licensee's failure to appeal this order shall constitute acceptance of the license.

  
Fred E. Springer  
Director, Office of  
Hydropower Licensing

ENVIRONMENTAL ASSESSMENT

FEDERAL ENERGY REGULATORY COMMISSION  
OFFICE OF HYDROPOWER LICENSING  
DIVISION OF PROJECT REVIEW

June 25, 1990

Station No. 5 Hydroelectric Project

FERC Project No. 10806-000

A. APPLICATION

1. Application type: Minor license, existing dam
2. Date filed with the Commission: June 15, 1989
3. Applicant: City of Holyoke, Economic Development and Industrial Corporation (EDIC)
4. Water body: Holyoke canal River basin: Connecticut
5. Nearest city or town: Holyoke (See figure 1.1) 1/
6. County: Hampden State: Massachusetts

B. PURPOSE AND NEED FOR ACTION

1. Purpose.

The Station No. 5 Hydropower Project would generate an estimated 2,009 megawatt-hours (MWh) of electric energy per year, which would be sold to and used by the City of Holyoke Gas and Electric Department (Holyoke Electric) in its system.

2. Need for power.

A need for the power produced from a proposed project can be defended only when an alternative source capacity and energy equal to that of the proposed project would be needed to meet forecasted future load growth and to maintain adequate reserve margins required for reliability of power supply, in the event the proposed project cannot be developed. In such cases, the need can be that of a reliability council area, an area

1/ Due to reproduction requirements, referenced figures have been omitted.

"islanded" by transmission constraints, an individual electric utility, or an industry with special requirements.

The proposed project, if developed, would have a capacity of only 790 kilowatts (kW). This capacity and the associated energy would be purchased by Holyoke Electric. Holyoke Electric is currently purchasing large amounts of power from sources with high-capacity facilities, such as NEPEX, Northeast Utilities, Central Maine Power, and others; and, as a result could easily purchase additional power equivalent to the output of the proposed project. We cannot, therefore, claim there is a need for the power output of the proposed project to enable any utility to meet its system load or reserve requirements.

We can claim there is always a need for power from new renewable resources, such as the proposed project, to displace fossil-fueled power generation and its related atmospheric pollution, and to provide long-term economic benefits to Holyoke Electric's customers.

C. PROPOSED PROJECT AND ALTERNATIVES

1. Description of the proposed action. (See figure 2.)

The existing facilities were installed in the Valley Paper Company Building in 1931 and remained in good working order until 1972. However, the project has not been operated since that time, and now requires some rehabilitating, particularly at the intake structure.

EDIC proposes to remove the gates, penstock opening frames, gate guides and support framework, trashrack support structure, trashrack platform, and the top beams and panels of the ice fender; install new concrete headwalls with guides for new slide gates, to be made of aluminum or steel, with manual operators and mounting frames; install a new steel trashrack in a new mounting structure made of wood or steel; sandblast and waterproof the penstocks; and remove rock debris that has accumulated in the existing tailrace tunnel. The cost of rehabilitating the project is estimated to be \$807,000.

The proposed project would consist of the following new and existing facilities: (1) a new gated intake with new trashracks located on the second level of the Holyoke canal; (2) two existing 75-foot-long, 6.5-foot-diameter, steel penstocks; (3) a refurbished 1931 single-runner, vertical Kaplan turbine directly coupled to a rewound 790-kW generator; (4) an existing 375-foot-long, 16.5-foot-wide by 11-foot-high arched brick-lined tailrace tunnel that terminates at a large concrete outfall structure; (5) an existing steel slide gate operated by threaded stem operators that provide closure of the tailrace tunnel at the Connecticut

River; (6) an existing 4.8-kilovolt, 370-foot-long underground cable interconnecting with Holyoke Electric's distribution system; and (7) other necessary facilities. The Holyoke Water Power Company (HWPC) controls flows from the Connecticut River into the canal system under a FERC major license granted to the Hadley Falls Project, Project No. 2004.

2. Applicant's proposed mitigative measures.

EDIC proposes to use a steel, sheet-pile cofferdam to dewater the intake construction site, and to schedule work on the intake structure and silt removal during low-flow periods; if possible, during the annual dewatering of the Holyoke canal. The proposed project's intake opening plans include restoring trashracks with 1-inch slot width spacing between bars.

3. Federal lands affected.

No.  
 Yes

4. Alternatives to the proposed project.

- a.  No reasonable action alternative have been found.
- b. Alternative of no action.

The alternative to the proposed action is denial of a license to redevelop and operate the proposed project. Although that would have little effect on the adequacy of electric power supply for the City of Holyoke or for the surrounding area, it would have effects that are not in the public interest. Approximately 2,000 MWh's of the Connecticut River's renewable and non-polluting energy would be needlessly foregone every year. Moreover, the equivalent energy would have to come, largely or totally, from fossil-fueled plants -- amounting to a failure to reduce both the consumption of non-renewable energy resources and atmospheric pollution.

D. CONSULTATION AND COMPLIANCE

1. Fish and wildlife agency consultation (Fish & Wildlife Coordination Act).

- a. U.S. Fish & Wildlife Service:  Yes.  No.
- b. State(s):  Yes.  No.
- c. National Marine Fisheries Service:  Yes.  No.

2. Section 7 consultation (Endangered Species Act).

- a. Listed species:  None.  Present.

- b. Consultation:  Not required.  Required; completed:  /  / .

Remarks: The federally listed endangered shortnose sturgeon under the jurisdiction of the National Marine Fisheries Service (NMFS) inhabits the lower segment of the Connecticut River from the river's mouth upstream to the Holyoke dam. A small landlocked population is found in the pool above the Holyoke dam (Taubert, 1980). Dadswell et al. (1984) estimated that between 800 and 1,000 shortnose sturgeon inhabit the lower portion of the Connecticut River, below Holyoke. By letter dated April 13, 1989, the NMFS states that the project is not likely to adversely affect the shortnose sturgeon. Further, the NMFS reports that due to the proposed 1-inch trashrack spacing, any sturgeon which might enter the canal would be prevented from entrainment into the project (personal communication, Chris Mantzaris, staff, National Marine Fisheries Service, Gloucester, Massachusetts, June 13, 1989).

3. Section 401 certification (Clean Water Act).

Not required.

- Required; applicant requested certification on 05/31/89.

Status :  Granted by the certifying agency on 08/16/89.

Waived by the certifying agency on  /  / .  
 Waived; section 401 certification is waived if not acted upon by the certifying agency within 1 year from the date of that agency's receipt of the request (See Commission order no. 464, issued February 11, 1987).

Undetermined; 1 year has not yet elapsed since the applicant's request and the state agency has not yet acted on the request. The 1-year period would expire on  /  / .

4. Cultural resource consultation (Historic Preservation Act).

- a. State Historic Preservation Officer:  Yes.  No.
- b. National Park Service:  Yes.  No.
- c. National Register status:  None.  Eligible or Listed.
- d. Council:  Not required.  Completed:  /  / .
- e. Further consultation:  Not required.  Required.

Remarks: The project is adjacent to the Holyoke canal System, a property listed in the National Register of Historic

Places; and in the Valley Paper Company's existing mill works, an eligible property. The project would not affect the canal system, the mill works, or any other National Register or eligible properties. The SHPO concurs with this finding (letter from Valerie A. Falmage, Executive Director, Massachusetts Historical Commission, and State Historic Preservation Officer, Boston, Massachusetts, November 1, 1988).

5. Recreational consultation (Federal Power Act).

- a. U.S. Owners: Yes.  No.
- b. National Park Service:  Yes.  No.
- c. State(s):  Yes.  No.

6. Wild and scenic rivers (Wild and Scenic Rivers Act).

Status:  None.  Listed. Determination completed:

7. Land and Water Conservation Fund lands and facilities (Land and Water Conservation Fund Act).

Status:  None.  Designated.  Determination completed:

E. COMMENTS

- 1. The following agencies and entities provided comments on the application or filed a motion to intervene in response to the public notice dated 03/20/89. 2/

Commenting agencies and other entities      Date of letter  
 Department of the Army,      March 20, 1990  
 New England Division Corps  
 of Engineers

Department of the Interior      March 22, 1990

- 2/ The Commonwealth of Massachusetts, Division of Fisheries and Wildlife (MDFW), provided no comments on the application in response to the public notice. There was no need to provide public notice comments since EDIC had adequately addressed all the Commonwealth's concerns by the time the application was filed (personal communication, Mark Tisa, Coordinator, Anadromous Fish Program, Commonwealth of Massachusetts, Division of Fisheries and Wildlife, Field Headquarters, Westborough, Massachusetts June 12, 1990).

Motions to Intervene

Date filed

Holyoke Water Power Company      03/28/90

- 2. The applicant responded to the comments or motion(s) to intervene by letter(s) dated

The applicant did not respond to the comments or motion(s) to intervene.

F. AFFECTED ENVIRONMENT

- 1. General description of the locale. (See figure 3.)

a. Description of the Connecticut River Basin.

The Connecticut River Basin, with a drainage area of 11,765 square miles, is the largest river basin in New England. Extending from the northernmost part of New Hampshire to Long Island Sound, the river basin has a maximum length in a north-south direction of about 280 miles and a maximum width of about 62 miles. The total drainage area of the basin is 11,765 square miles. The principal tributaries to the mainstem Connecticut River, by state, are the Passumpsic, White, Ottauguechee, and Black Rivers in New Hampshire; the Millers, Deerfield, Chicopee, and Westfield Rivers in Massachusetts; and the Farmington River in Connecticut.

This complex of rivers and tributaries constitutes one of the most extensively developed hydropower systems in the U.S. There is now a major effort by federal, state, and private sectors to restore Atlantic salmon to the Connecticut River Basin.

The project is located in a heavily industrialized setting between the second level of the Holyoke canal system and the Connecticut River. The climate is typical of inland Connecticut and Massachusetts with an average temperature of 49.8 degrees Fahrenheit and an average annual precipitation of 44.39 inches.

- b. Number of major and minor licensed, and exempted projects in the Connecticut River basin as of June 5, 1990.

|                |    |
|----------------|----|
| Major licensed | 37 |
| Minor licensed | 46 |
| Exempted       | 45 |



- c. Number of pending applications for major or minor licenses, and for exemptions in the Connecticut River basin as of June 5, 1990.
- |                       |   |
|-----------------------|---|
| Pending major license | 2 |
| Pending minor license | 3 |
| Pending exemption     | 2 |
- d. Cumulative impacts.

A target resource is an important resource that may be cumulatively affected by multiple development within a basin. 3/

We have identified Atlantic salmon and American shad as target resources in the Connecticut River Basin (Federal Energy Regulatory Commission, 1986). These and other anadromous fish species are known to migrate upstream and downstream in both of two yearly periods -- from April through July, and again during September and October. 4/

Atlantic salmon and American shad were selected because of the regional significance and geographic distribution of this species within the river basin. This anadromous fishery resource is described below in section F(2d). We discuss impacts to Atlantic salmon and American shad in section G.

3/ The Council on Environmental Quality defines cumulative impacts as impacts on the environment that result from the incremental impacts of an action when added to other past, present, and reasonably foreseeable future actions, regardless of which agency or person undertakes such other actions. Cumulative impacts can result from individually minor, but collectively significant actions taking place over a period of time. (40 CFR, Part 1508.7).

4/ Personal communication, Mark Tisa, Coordinator, Anadromous Fish Program, Commonwealth of Massachusetts, Division of Fisheries and Wildlife, Field Headquarters, Westborough, Massachusetts, June 19, 1990; and Order Amending License to Require downstream fish Passage Facilities, Holyoke Water Power Company, Project No. 2004-012, Issued February 26, 1988, 42 FERC ¶ 62,166.

2. Descriptions of the resources in the project impact area 5/

a. Geology and soils: Bedrock in the project area is interbedded sandstone, shale, conglomerate, and basaltic lava. The glacial till deposits that lie on the glaciated surface of the bedrock are overlain by varied glacial lake deposits. The original dry, sandy, surface soils in the project area have been highly altered by construction of the project and by fill and construction activities associated with urban development of the area.

b. Streamflow: Waterflow in the canal system is controlled at the canal gatehouse to supply necessary water to various hydropower and industrial facilities along the canal. The amount of flow entering the canal system ranges from no flow, when the gatehouse is shut down, to 5,155 cubic feet per second, which is the maximum hydraulic capacity of the canal.

c. Water quality: The Connecticut River upstream of Holyoke dam is classified as Class B water by the Massachusetts Division of Water Pollution -- i.e., suitable for primary and secondary contact recreation and fish and wildlife resources. Class B water must have dissolved oxygen (DO) levels greater than 5.0 milligrams per liter (mg/l) and a pH between 6.5 and 8.0. The water in the Holyoke canal system is classified as Class C -- i.e., suitable for secondary contact recreation and fish and wildlife resources, and must have a DO level greater than 5.0 mg/l and a pH between 6.5 and 9.0 standard units. Water in the project area conforms to the state water quality standards.

d. Fisheries:

Anadromous:      Absent.      X Present.

Anadromous fish species found in the Connecticut River in the vicinity of the project include American shad, Atlantic salmon, blueback herring, sea lamprey, striped bass, shortnose sturgeon, and American eel (catadromous).

Resident:      Absent.      X Present.

Resident fish species found in the Connecticut River in the vicinity of the project include carp, channel catfish, smallmouth

5/ Source: Federal Energy Regulatory Commission, Environmental Assessment for Crocker Mill, A and B Wheels, Hydroelectric Project, Project No. 2758-003, Washington, D.C., June 16, 1989, 47 FERC ¶ 62,305; and City of Holyoke, Economic Development and Industrial Corporation, application, exhibit E, unless otherwise indicated.

G. ENVIRONMENTAL ISSUES AND PROPOSED RESOLUTIONS

There are 6 issues addressed below.

1. Construction-related sedimentation: Although EDIC reports that no bottom sediments would be excavated or dredged from the tailrace, some minor disturbance of sediments would occur when rock debris is removed from the tailrace. Out of a concern for the effects of resuspended sediments on water quality and migrating anadromous fish, MDFW recommends that EDIC schedule its in-water construction around upstream and downstream anadromous fish migrations (letter from Mark Tisa, Coordinator, Anadromous Fish Program, Commonwealth of Massachusetts, Division of Fisheries and Wildlife, Field Headquarters, Westborough, Massachusetts, October 12, 1988).

EDIC proposes to use a cofferdam for its in-water construction, and to schedule in-water construction to coincide with periods when flows are low, and anadromous fish are not migrating upstream or downstream--i.e., any time of the year other than mid-April to mid-July and during the months of September and October. The licensee after consulting with the MDFW and the U.S. Fish and Wildlife Service (FWS), should file for Commission approval a schedule for undertaking any in-water rehabilitation construction work and silt cleaning operations that ensures that such work does not conflict with spawning runs of anadromous fish species.

2. Cumulative impacts on Atlantic salmon and American shad resulting from developing several hydropower projects in the Connecticut River Basin: Atlantic salmon and American shad are currently a primary target species for a major federal, state, and private sector restoration effort. The goal of the restoration program is to provide and to maintain a sport fishery for Atlantic salmon and American shad in the Connecticut River, and to restore and maintain spawning populations in selected tributaries (Federal Energy Regulatory Commission, 1986).

The basin's seaward-migrating salmon smolts, adult shad, and juvenile shad pass numerous hydropower developments where they may become entrained and impinged, during the months indicated below. 6/

5/ Source: Order Amending License to Require Downstream Fish Passage Facilities, Holyoke Water Power Company, Project No. 2004-012, Issued February 26, 1988, 42 FERC ¶ 62,166; and personal communication, Steve Gephard, Connecticut Department of Environmental Protection -- Marine Fisheries, Waterford, Connecticut, June 21, 1990.

bass, largemouth bass, spottail shiner, white perch, bluegill, rainbow trout, and brown trout.

e. Vegetation: The project would be located in an urban area. Vegetation in the immediate area of the project consists of weedy grasses and forbs. Near the river is a strip of trees consisting of immature red and sugar maple, box elder, birch, ash, and hickory. Also present are shrubs -- viburnum and poison ivy.

f. Wildlife: Available habitat restricts species present to urban tolerant species such as squirrels, mice, raccoons, rats, cardinals, and sparrows.

g. Cultural:  
 National Register (listed and eligible) properties have not been recorded.

X There are properties listed on, or eligible for listing on, the National Register of Historic Places in the project impact area. They are the Holyoke canal system and the Valley Paper Company's existing mill works.

Description: The canal system, a contributing element in the Holyoke Canal Historic District, is listed on the National Register of Historic Places and is within the area of the project's potential environmental impact. The portion of the canal in the project area was constructed between 1854 and 1857. The existing mill works are eligible for listing on the National Register.

h. Visual quality: The project is in an industrial area. Its appearance is consistent with that of the surrounding buildings and structures.

i. Recreation: The immediate project area receives no significant recreational use because of its location in a highly industrialized area. No recreational facilities are located at the project. Recreational facilities are currently available at Riverside Park 2.4 miles downstream, at Jones Park 1.7 miles upstream, and at the Hadley Falls Hydroelectric Project 0.4 miles upstream.

j. Land use: The proposed project is located in an industrial setting consisting of mill buildings, a 3-level canal system providing water for power generation, and access roads and bridges.

k. Socioeconomics: The socioeconomic well-being of the area is influenced by industrial and urban development.

| <u>Migrating species and life stage</u> | <u>Months when downstream migration occurs</u> |
|---|--|
| adult Atlantic salmon (post-spawning)   | November to mid-April 7/                       |
| Atlantic salmon smolt                   | April and May                                  |
| adult American shad                     | June and July                                  |
| juvenile American shad                  | September and October                          |

The more hydropower facilities outmigrating fish have to pass, the greater the risk of fish losses. Among these hydropower facilities are the Holyoke dam and the canal system.

When river discharges are high and water is flowing over the dam, migrating fish pass downstream with little or no delay (Northeast Utilities Service Company, 1984). On the other hand, outmigrating fish would be entrained into the canal system by high flows entering the canal if they arrive at the dam when flashboards, permitting little or no spillage, are in place. Once in the canal, escape is very difficult. Fish can then be entrained in the turbines of hydropower plants operating along the canal.

On February 26, 1988, the Commission ordered the HWPC to spill water over Holyoke dam when salmon smolts are migrating downstream (Federal Energy Regulatory Commission, 1988a). [HWPC is the licensee for the Hadley Falls Project (FERC Project No. 2004) and the entity that controls the dam and the water going into the canal.] Spilling water over the Holyoke dam allows migrating salmon smolts to pass safely downstream in the spill, instead of entering the canal system.

Canal users and the HWPC have since implemented an economic dispatch agreement, in which the HWPC passes all flow downstream at the Holyoke dam, shuts down the canal, and sells the users electricity, instead of water, when salmon smolts are migrating downstream. EDIC expects to participate in this agreement, if feasible; and if not, EDIC expects to pursue a new agreement with HWPC to embody an identical arrangement. Since the proposed project would not operate during the period the canal is

7/ Information on post-spawning adult Atlantic salmon (kelts) in the Connecticut River is sparse. Therefore, the downstream migration period was estimated, with the assistance of Steve Gephard, Connecticut Department of Environmental Protection, from information on Atlantic salmon in other northeastern river basins.

shutdown, the project would not affect the outmigrating salmon smolt during the period the canal is shutdown.

3. Project-related fish mortality and the use of trashracks: Operation of the proposed project could cause impingement and entrainment-related mortalities to anadromous fish -- American shad, blue back herring, and possibly the endangered short-nose sturgeon. As fish pass through the turbines, mortality or injury would occur as a result of being struck by turbine blades, pressure changes, shear forces in turbulent flows, and water velocity accelerations (Knapp et al., 1982). The design of the project intake structure would reduce project-induced fish injury or mortality. Trashracks have been used at hydropower plants to discourage fish from entering project intakes. The size of bar spacing of the trashracks can influence entrainment rates (Bell, 1984)

The MDFW (letter from Mark Tisa, Coordinator, Anadromous Fish Program, Commonwealth of Massachusetts, Division of Fisheries and Wildlife, Field Headquarters, Westborough, Massachusetts, October 12, 1988) recommended that for the protection of anadromous fish -- Atlantic salmon and American shad -- trashrack bar spacing should not exceed 1 inch.

To protect anadromous fish, EDIC has proposed to replace the existing trashrack at the facility with a new trashrack with 1-inch bar spacing. We conclude that the trashrack design, as proposed, would protect anadromous fish resources in the project area and would minimize entrainment-related mortality and injury to anadromous fish. Therefore, a trashrack with a maximum bar spacing of 1-inch should be installed at the project intake. The licensee, after consultation with the MDFW and the FWS, should file for Commission approval functional design drawings for the proposed trashrack, including a schedule for construction.

4. Reservation of authority to prescribe fishways: The Department of Interior (Interior) requests that its authority to prescribe the construction, operation and maintenance of fishways, pursuant to Section 18 of the Act, be reserved for any project licensed at Station No. 5 Hydroelectric Project.

Section 18 of the Act provides the Secretary of Interior the authority to prescribe fishways. 8/ Although fish passage facilities may not be recommended by Interior at the time of project licensing as is the case for the Station No. 5

8/ Section 18 of the Act provides: "The Commission shall require construction, maintenance, and operation by a licensee at its own expense of ... such fishways as may be prescribed by the Secretary of Commerce or the Secretary of the Interior an appropriate.

Hydroelectric project, the Commission should include license articles which reserve Interior's prescription authority. 2/ We recognize that future fish passage needs and management objectives cannot always be predicted when the license is issued. Therefore, any license issued for the project should be conditioned to reserve Interior's authority to prescribe fishways.

5. Screening the tailrace: Interior states that, should the tailrace discharge pose an attraction problem for anadromous fish in the future, Section 18 of the Federal Power Act (Act) will allow the Secretary of the Interior to prescribe tailrace screening should it be necessary.

Although few salmon have been reported in the project area the potential for project-related impacts to this resource could increase as Atlantic salmon returns improve. The success of Atlantic salmon returns reported downstream of the proposed project demonstrate the potential for improved salmon returns at the proposed project area in the near future.

We conclude that screens should only be considered an appropriate fishway component if they were prescribed by Interior in the future to reduce the attraction of migrating fish to the tailrace and to direct these fish to upstream passage facilities. In this instance, the purpose of tailrace screens at the Station No. 5 Hydroelectric Project would be to enhance Atlantic salmon movement upstream in the Connecticut River to the existing Holyoke fish lift facilities located at the Holyoke dam, upstream of the project.

6. Cultural resources: Every reasonable effort has been made to search for listed and eligible National Register properties in the project area. Other than the Holyoke canal system and the Valley Paper Company's mill works, no such properties have been discovered. Moreover, the State Historic Preservation Officer's (SHPO) recommends a finding of no effect on the canal and mill works, with which we agree (letter from Valerie A. Talmadge, State Historic Preservation Officer and Executive Director, Massachusetts Historical Commission, Boston, Massachusetts, November 1, 1988). Nevertheless, there remains a remote possibility for affecting National Register and eligible properties, which we should make provision for.

First, there could be significant undiscovered properties in the project area that could be adversely affected by the proposed rehabilitation. If such properties are found during project development or during project operation, the licensee should take the following actions: (a) consult with the SHPO; (b) based on

2/ Lynchburg Hydro Associates, 39 FERC ¶ 61,076 (1987).

consultations with the SHPO, prepare a plan describing the appropriate course of action and a schedule for carrying it out; (c) file the plan for Commission approval; and (d) take the necessary steps to protect the discovered properties from further impact until notified by the Commission that all of these requirements have been satisfied.

Second, the staff's effect determination is based on the project design and location as reported in the application and in the applicant's subsequent filings, and the types of ground disturbing activities that would be required to execute the license. Before making any changes to the project, the licensee should take the following actions: (a) consult with the SHPO; (b) based on consultations with the SHPO, prepare a plan describing the appropriate course of action and a schedule for carrying it out; (c) file the plan for Commission approval; and (d) do nothing to affect National Register or eligible properties until notified by the Commission that all these requirements have been satisfied.

H. ENVIRONMENTAL IMPACTS

1. Assessment of impacts expected from the applicant's proposed project (P), with the applicant's proposed mitigation and any conditions set by a federal land management agency; the proposed project with any additional mitigation recommended by the staff (Ps); and any action alternative considered (A). Assessment symbols indicate the following impact levels:

O = None; 1 = Minor; 2 = Moderate; 3 = Major;  
 A = Adverse; B = Beneficial; L = Long-term; S = Short-term.

| Resource                      | Impact |    |   | Resource                   | Impact |    |   |
|-------------------------------|--------|----|---|----------------------------|--------|----|---|
|                               | P      | Ps | A |                            | P      | Ps | A |
| A. Geology-Soils              | 0      |    |   | f. Wildlife                | 0      |    |   |
| b. Streamflow                 | 0      |    |   | g. Cultural: Archeological | 0      |    |   |
| c. Water quality: Temperature | 0      |    |   | Historical                 | 0      |    |   |
| Dissolved oxygen              | 0      |    |   | h. Visual quality          | 0      |    |   |
| Turbidity and sedimentation   | 1AS    |    |   | i. Recreation              | 0      |    |   |
| d. Fisheries: Anadromous      | 1AL    |    |   | l. Land use                | 0      |    |   |
| Resident                      | 1AL    |    |   | k. Socioeconomics          | 0      |    |   |
| e. Vegetation                 | 0      |    |   |                            |        |    |   |

Explanation of item c. Project construction would cause some minor short-term sedimentation and turbidity. There would be some minor short-term resuspension of silt after project start-up.

Explanation of item d. There would be some minor entrainment of fish in the project area.

2. Impacts of the no-action alternative.

Under the no-action alternative, there would be no rehabilitation of project facilities or changes to the existing physical components of the area. Electrical power that would be generated by the proposed hydroelectric project would have to be generated from other available sources or offset by conservation measures.

I. RECOMMENDED ALTERNATIVE

X Proposed project (including proposed, required, and recommended mitigative measures).

— No action.

1. Comprehensive Development -- Reason(s) for selecting the recommended alternative.

We recommend the proposed project (including proposed, required, and recommended mitigative measures) because it would develop the hydroelectric potential of the site and would produce electrical energy without significantly affecting the existing environmental conditions.

Sections 4(e) and 10(a)(1) of the Federal Power Act (Act) require the Commission to consider and balance in the public interest, all uses of the waterway on which a project is proposed. Neither we nor the resource agencies have identified any conflicts between development and operation of the Station No. 5 Hydroelectric Project, as proposed by EDIC and (a) the environmental values of the project area or (b) other beneficial public uses of the waterway.

The proposed project would generate about 2,009 MWh of electric energy per year. This power would displace fossil-fueled electric power plant generation, improve air quality, and conserve fossil fuels.

We have evaluated the effects of the proposed project on the resources of the project area and have found that the proposed project would have only minor, short-term adverse impacts as a result of resuspension of sediments during construction activities and project start-up.

No alternative was identified that would better use the project resources in terms of providing power and environmental benefits without significant environmental cost. We considered one alternative to licensing the Station No. 5 Hydroelectric Project -- no action. We concluded that denying the project application is not the recommended alternative for two reasons. (1) The environmental effects of rehabilitating and operating the project would be minor and short-term. (2) The electricity generated from a renewable resource would be used by Holyoke Electric, thus reducing the use of existing fossil-fueled generating plants and thereby conserving nonrenewable primary energy resources and reducing atmospheric pollution.

Section 10(a)(2) of the Act requires the Commission to also consider the extent to which a project is consistent with federal or state comprehensive plans for improving, developing, or conserving a waterway or waterways affected by the project. Under section 10(a)(2), federal and state agencies filed eight comprehensive plans that address various resources in Massachusetts. Of these, we identified and reviewed four plans relevant to this project. 10/ No conflicts were found.

Based upon a review of the agency and public comments filed in this proceeding, and on our independent analysis pursuant to Sections 4(e), 10(a)(1), and 10(a)(2) of the Act, we conclude that the Station No. 5 Hydroelectric Project is best adapted to a comprehensive plan for the Connecticut River.

## 2. Unavoidable Adverse Impacts of the Recommended Alternative

A minor amount of short-term resuspension of silt would be unavoidable during removal of rock debris from the tailrace and during project start-up.

## J. CONCLUSION

X. Finding of No Significant Impact. Approval of the recommended alternative [H(2)] would not constitute a major federal action significantly affecting the quality of the human environment; therefore, an environmental impact statement (EIS) will not be prepared.

Intend to Prepare an EIS. Approval of the recommended alternative [H(2)] would constitute a major federal action significantly affecting the quality of the human environment; therefore, an EIS will be prepared.

10/ Massachusetts outdoors for our common good: open space and outdoor recreation in Massachusetts, 1988, Massachusetts Department of Environmental Management, Division of Planning and Development; Connecticut River Basin water quality management plan, 1983, Massachusetts Department of Environmental Quality Engineering, Division of Water Pollution Control; A strategic plan for the restoration of Atlantic salmon to the Connecticut River Basin, 1982, Policy Committee for Fisheries Management of the Connecticut River; Connecticut River Basin fish passage, flow, and habitat alteration considerations in relation to anadromous fish restoration, 1981, Technical Committee for Fisheries Management of the Connecticut River.

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SAFETY AND DESIGN ASSESSMENT  
STATION NO. 5 HYDROELECTRIC PROJECT  
FERC NO. 10806-000, MA  
June 12, 1990

L. LIST OF PREPARERS

| <u>Name</u>      | <u>Position title</u>               |
|------------------|-------------------------------------|
| James T. Griffin | Archeologist (Coordinator)          |
| Rainer Feller    | Ecologist                           |
| Peter Leitzke    | Geologist                           |
| Patrick Lynch    | Environmental Protection Specialist |
| Mary Colato      | Editor                              |
| Marc Zimmerman   | Ecologist                           |
| K. Akhtar        | Engineer                            |

PROJECT DESIGN

Holyoke Economic Development and Industrial Corporation (Holyoke Corporation) proposes to develop the project on the second level of a three-level canal system owned and operated by the Holyoke Water Power Company (HWPC), licensee for Hadley Falls Project No. 2004, on the west bank of the Connecticut River. The generating equipment would be installed in a building belonging to the Valley Paper Company.

The project works would consist of: (1) a gated intake with new trashracks located on the Second Level Canal of the HWPC project; (2) two 75-foot-long, 6.5-foot-diameter steel penstocks; (3) a refurbished single-runner, vertical Kaplan turbine connected to a 790-kilowatt (kW) generator; (4) a 375-foot-long, 16.5-foot-wide by 11-foot-high arched, brick-lined tailrace tunnel; (5) a steel gate where the tailwater empties into the Connecticut River; (6) a 4.8-kilovolt (kV), 370-foot-long underground cable interconnecting with the Holyoke Gas and Electric Department's distribution system; (7) certain underground portions of the Valley Paper Company building that would accommodate the generating and other equipment; and (8) other necessary facilities.

Holyoke Corporation acquired the project property along with deeded water rights to the former hydropower site in order to redevelop the project.

PROJECT SAFETY

The proposed project would not include a dam or other water-impounding structures. All flows to the project site would be delivered by the Holyoke Second Level Canal, owned and operated by HWPC.

Our New York Regional Office (NYRO), in a Preliminary Inspection Report dated September 21, 1989, cited no deficiencies in the proposed operation and stated that the proposed project would have no downstream hazard potential. Since there are no water-impounding structures, we conclude there are no safety related problems.

We conclude the project would be safe and adequate if built and operated according to the terms and conditions of a license.

#### WATER RESOURCE PLANNING

The power plant would contain a single generating unit. The gross head at the site ranges from 15 to 34 feet, depending upon the tailwater elevation, resulting in a weighted average head of 28 feet. The turbine design head is 26 feet and its hydraulic capacity is estimated to be 299 cubic feet per second (cfs). The project would be operated remotely in a run-of-river mode, and would generate about 2,009 megawatt-hours (MWh) of energy annually at a plant factor of about 29 percent.

The proposed project is located on the second level of a three-level canal system owned and operated by the HWPC, on the west bank of the Connecticut River. Flows from the Connecticut River are impounded by Holyoke Dam (licensed to HWPC as part of Hadley Falls Project No. 2004) and diverted through an intake structure into the first-level canal. Flows in the first-level canal are diverted through various industrial plants and gate structures into the second-level canal from which the project would get its flows to operate. HWPC operates its own hydropower projects at the Holyoke dam and elsewhere in the canal system.

Flows to the proposed project would be available by deeded purchase rights for specific amounts from HWPC. Deeded entitlements to water from HWPC's canal system are measured in millipowers (a millpower is the flow calculated from an equation based on gross head). For a gross head of 28 feet at this project, 1 millpower equals 26.7 cfs.

The proposed project is entitled to four 16-hour permanent millipowers and three 8-hour permanent millipowers for Connecticut River flows in the range of 3,100 cfs to 3,600 cfs. For river flows less than 3,100 cfs, the permanent millpower allocation is reduced linearly depending on flow. For flows between 3,600 cfs and 15,000 cfs, an additional entitlement equal to half the permanent millpower allocation is permitted. For flows greater than 15,000 cfs, the project is entitled to surplus millipowers up to a maximum of 10 millipowers.

The proposed project under the millpower entitlement is authorized two types of water allocations: 16-hour per day and 8-hour per day. For river flows up to 3,100 cfs, the 16-hour allocation is 0 to 107 cfs and the 8-hour allocation 0 to 80.2 cfs; for flows of 3,100 to 3,600 cfs, the 16-hour allocation is 107 cfs and the 8-hour allocation is 80.2 cfs; for flows of 3,600 to 15,000 cfs, the 16-hour allocation is 160.4 cfs and the 8-hour allocation is 120.3 cfs; and for flows of 15,000 to 82,880 cfs both the 16-hour and 8-hour allocations are 267.4 cfs.

We estimate the project would, on the average, operate at its entitled surplus allocation flow of 267.4 cfs for 24 hours

per day (close to the plant hydraulic capacity of 299 cfs), about 29 percent of the time; at 160.4 cfs for 16 hours per day and 120.3 cfs for 8 hours per day, about 57 percent of the time; and at 107 cfs for 16 hours per day and 80.2 cfs for 8 hours per day, for about 3 percent of the time. The project would be shut down about 11 percent of the time.

The NYRO Prelicense Inspection Report states that the canal system is dewatered 3 times a year for maintenance: there are two, 1-day canal drawdowns in the spring and fall and a 4-day shutdown period in July. During these periods, the canal system is drained, inspected, and repaired, if needed. Repairs are generally scheduled for the July shutdown.

There are certain periods of the year when the project cannot operate and the applicant would be directed by the HWPC to discontinue drawing flows from the canal system.

Our studies show that Holyoke Corporation would make reasonable use of its allocated flows. Because of the water allocation limits of the HWPC, Holyoke Corporation could not develop additional generating capacity at the site. Hence, we conclude the proposed project would adequately develop the head and hydraulic potential of the site.

The August 1983 Planning Status Report for Connecticut River Basin lists 19 existing hydroelectric projects on HWPC's canal system. The report also lists the Holyoke Project on the canal system as a potential project with an installed capacity of 1,222 kW and an annual generation of 13,165 MWh. However, the report states no basis for the capacity or energy generation estimate. The report did not indicate any proposed project on the canal system that would be in conflict with the proposed project.

Section 10(a)(2) of the Act requires the Commission to consider the extent to which a project is consistent with federal or state comprehensive plans for improving, developing, or conserving a waterway or waterways affected by the project. We identified 8 comprehensive plans that meet the requirements of section 10(a)(2); however, none address various resources in Massachusetts in relation to the developmental values of hydroelectric development at the site.

The state and federal agencies made no other comments or recommendations addressing flood control, navigation, or irrigation requirements for the second-level canal.

On March 28, 1990, the HWPC filed a petition to intervene in the licensing proceeding to protect its interests. The HWPC submitted technical comments relating to the operation of the proposed project. None of the comments affect this assessment.



Based on the above information, we conclude the proposed Station No. 5 Hydroelectric Project would adequately use the available flow and head at the site and would not conflict with any other planned development.

From a review of agency and public comments filed in this proceeding, and our independent analyses, we conclude that the Station No. 5 Project is best adapted to the comprehensive development of the Connecticut River, from a power development perspective.

#### ECONOMIC EVALUATION

Holyoke Corporation would feed the project power into Holyoke Gas & Electric Light Department's (Holyoke Electric) power grid to help serve its base-load requirements.

The proposed project would be economically beneficial, so long as the projected levelized cost is less than the long-term levelized cost of alternative energy to any utility in the region that can be served by the project. We identified projected, long-term levelized alternative energy costs in the region of 88.2 mills/kWh. Since the levelized cost of energy from the project is estimated to be 61.0 mills/kWh, the project would provide a levelized economic benefit of about 27.2 mills/kWh or \$54,000 annually.

Our analysis shows the 100-percent-equity internal rate of return for the proposed project would be about 13.5 percent, a range considered fairly secure and very attractive to investors. Thus we conclude the proposed project would be economically beneficial and financially feasible.

#### CONSERVATION AND LOAD MANAGEMENT PROGRAMS

Holyoke Corporation, has no electric-power distribution system and no end-use customers. If the proposed project were licensed and developed, the total net output would be sold, at wholesale prices, to Holyoke Electric for distribution to its customers. Without customers, Holyoke Corporation has no opportunity to establish conservation and load-management programs to reduce demand peaks or reduce the use of electric energy.

#### EXHIBITS

The following portions of exhibit A and the following exhibit F drawings conform to the Commission's rules and regulations and should be included in the license:

Exhibit A - The following sections of exhibit A filed June 15, 1989:

The turbine and generator description on page A-2; the transmission line description on page A-7; and the additional mechanical and electrical equipment description on pages A-5 and A-6.

| <u>Exhibit</u> | <u>FERC No.</u> | <u>Showing</u>                         |
|----------------|-----------------|--|
| F-1            | 10806-1         | Project-Plan and Profile               |
| F-2            | 10806-2         | Powerhouse-Plan, Section and Elevation |
| F-3            | 10806-3         | Intake-Elevation and Sections          |

#### PREPARERS

Khawaja A. Akhtar, Civil Engineer  
C. Frank Miller, Electrical Engineer  
Mary Golato, Editor

FEDERAL ENERGY REGULATORY COMMISSION

TERMS AND CONDITIONS OF LICENSE FOR  
UNCONSTRUCTED MINOR PROJECT AFFECTING  
NAVIGABLE WATERS OF THE UNITED STATES

show any divergence from or variations in the project area and project boundary as finally located or in the project works as actually constructed when compared with the area and boundary shown and the works described in the license or in the exhibits approved by the Commission, together with a statement in writing setting forth the reasons which in the opinion of the Licensee necessitated or justified variation in or divergence from the approved exhibits. Such revised exhibits shall, if and when approved by the Commission, be made a part of the license under the provisions of Article 2 hereof.

**Article 1.** The entire project, as described in this order of the Commission, shall be subject to all of the provisions, terms, and conditions of the license.

**Article 2.** No substantial change shall be made in the maps, plans, specifications, and statements described and designated as exhibits and approved by the Commission in its order as a part of the license until such change shall have been approved by the Commission: Provided, however, That if the Licensee or the Commission deems it necessary or desirable that said approved exhibits, or any of them, be changed, there shall be submitted to the Commission for approval a revised, or additional exhibit or exhibits covering the proposed changes which, upon approval by the Commission, shall become a part of the license and shall supersede, in whole or in part, such exhibit or exhibits theretofore made a part of the license as may be specified by the Commission.

**Article 3.** The project works shall be constructed in substantial conformity with the approved exhibits referred to in Article 2 herein or as changed in accordance with the provisions of said article. Except when emergency shall require for the protection of navigation, life, health, or property, there shall not be made without prior approval of the Commission any substantial alteration or addition not in conformity with the approved plans to any dam or other project works under the license or any substantial use of project lands and waters not authorized herein; and any emergency alteration, addition, or use so made shall thereafter be subject to such modification and change as the Commission may direct. Minor changes in project works, or in uses of project lands and waters, or divergence from such approved exhibits may be made if such changes will not result in a decrease in efficiency, in a material increase in cost, in an adverse environmental impact, or in impairment of the general scheme of development; but any of such minor changes made without the prior approval of the Commission, which in its judgment have produced or will produce any of such results, shall be subject to such alteration as the Commission may direct.

Upon the completion of the project, or at such other time as the Commission may direct, the Licensee shall submit to the Commission for approval revised exhibits insofar as necessary to

**Article 4.** The construction, operation, and maintenance of the project and any work incidental to additions or alterations shall be subject to the inspection and supervision of the Regional Engineer, Federal Energy Regulatory Commission, in the region wherein the project is located, or of such other officer or agent as the Commission may designate, who shall be the authorized representative of the Commission for such purposes. The Licensee shall cooperate fully with said representative and shall furnish him a detailed program of inspection by the Licensee that will provide for an adequate and qualified inspection force for construction of the project and for any subsequent alterations to the project. Construction of the project works or any features or alteration thereof shall not be initiated until the program of inspection for the project works or any such feature thereof has been approved by said representative. The Licensee shall also furnish to said representative such further information as he may require concerning the construction, operation, and maintenance of the project, and of any alteration thereof, and shall notify him of the date upon which work will begin, as far in advance thereof as said representative may reasonably specify, and shall notify him promptly in writing of any suspension of work for a period of more than one week, and of its resumption and completion. The Licensee shall allow said representative and other officers or employees of the United States, showing proper credentials, free and unrestricted access to, through, and across the project lands and project works in the performance of their official duties. The Licensee shall comply with such rules and regulations of general or special applicability as the Commission may prescribe from time to time for the protection of life, health, or property.

**Article 5.** The Licensee, within five years from the date of issuance of the license, shall acquire title in fee or the right to use in perpetuity all lands, other than lands of the United States, necessary or appropriate for the construction, maintenance, and operation of the project. The Licensee or its successors and assigns shall, during the period of the license, retain the possession of all project property covered by the license as issued or as later amended, including the project area, the project works, and all franchises, easements, water rights, and rights of occupancy and use; and none of such

systems and in such manner as the Commission may direct in the interest of power and other beneficial public uses of water resources, and on such conditions concerning the equitable sharing of benefits by the Licensee as the Commission may order.

**Article 9.** The United States specifically retains and safeguards the right to use water in such amount, to be determined by the Secretary of the Army, as may be necessary for the purposes of navigation on the navigable waterway affected; and the operations of the Licensee, so far as they affect the use, storage and discharge from storage of waters affected by the license, shall at all times be controlled by such reasonable rules and regulations as the Secretary of the Army may prescribe in the interest of navigation, and as the Commission may prescribe for the protection of life, health, and property, and in the interest of the fullest practicable conservation and utilization of such waters for power purposes and for other beneficial public uses, including recreational purposes, and the Licensee shall release water from the project reservoir at such rate in cubic feet per second, or such volume in acre-feet per specified period of time, as the Secretary of the Army may prescribe in the interest of navigation, or as the Commission may prescribe for the other purposes hereinbefore mentioned.

**Article 10.** On the application of any person, association, corporation, Federal agency, State or municipality, the Licensee shall permit such reasonable use of its reservoir or other project properties, including works, lands and water rights, or parts thereof, as may be ordered by the Commission, after notice and opportunity for hearing, in the interests of comprehensive development of the waterway or waterways involved and the conservation and utilization of the water resources of the region for water supply or for the purposes of steam-electric, irrigation, industrial, municipal or similar uses. The Licensee shall receive reasonable compensation for use of its reservoir or other project properties or parts thereof for such purposes, to include at least full reimbursement for any damages or expenses which the joint use causes the Licensee to incur. Any such compensation shall be fixed by the Commission either by approval of an agreement between the Licensee and the party or parties benefiting or after notice and opportunity for hearing. Applications shall contain information in sufficient detail to afford a full understanding of the proposed use, including satisfactory evidence that the applicant possesses necessary water rights pursuant to applicable State law, or a showing of cause why such evidence cannot concurrently be submitted, and a statement as to the relationship of the proposed use to any State or municipal plans or orders which may have been adopted with respect to the use of such waters.

**Article 11.** The Licensee shall, for the conservation and development of fish and wildlife resources, construct, maintain,

properties shall be voluntarily sold, leased, transferred, abandoned, or otherwise disposed of without the prior written approval of the Commission, except that the Licensee may lease or otherwise dispose of interests in project lands or property without specific written approval of the Commission pursuant to the then current regulations of the Commission. The provisions of this article are not intended to prevent the abandonment or the retirement from service of structures, equipment, or other project works in connection with replacements thereof when they become obsolete, inadequate, or inefficient for further service due to wear and tear; and mortgage or trust deeds or judicial sales made thereunder, or tax sales, shall not be deemed voluntary transfers within the meaning of this article.

**Article 6.** The Licensee shall install and thereafter maintain gages and stream-gaging stations for the purpose of determining the stage and flow of the stream or streams on which the project is located, the amount of water held in and withdrawn from storage, and the effective head on the turbines; shall provide for the required reading of such gages and for the adequate rating of such stations; and shall install and maintain standard meters adequate for the determination of the amount of electric energy generated by the project works. The number, character, and location of gages, meters, or other measuring devices, and the method of operation thereof, shall at all times be satisfactory to the Commission or its authorized representative. The Commission reserves the right, after notice and opportunity for hearing, to require such alterations in the number, character, and location of gages, meters, or other measuring devices, and the method of operation thereof, as are necessary to secure adequate determinations. The installation of gages, the rating of said stream or streams, and the determination of the flow thereof, shall be under the supervision of, or in cooperation with, the District Engineer of the United States Geological Survey having charge of stream-gaging operations in the region of the project, and the Licensee shall advance to the United States Geological Survey the amount of funds estimated to be necessary for such supervision, or cooperation for such periods as may be mutually agreed upon. The Licensee shall keep accurate and sufficient records of the foregoing determinations to the satisfaction of the Commission, and shall make return of such records annually at such time and in such form as the Commission may prescribe.

**Article 7.** The Licensee shall, after notice and opportunity for hearing, install additional capacity or make other changes in the project as directed by the Commission, to the extent that it is economically sound and in the public interest to do so.

**Article 8.** The Licensee shall, after notice and opportunity for hearing, coordinate the operation of the project, electrically and hydraulically, with such other projects or power

and operate, or arrange for the construction, maintenance, and operation of such reasonable facilities, and comply with such reasonable modifications of the project structures and operation, as may be ordered by the Commission upon its own motion or upon the recommendation of the Secretary of the Interior or the fish and wildlife agency or agencies of any State in which the project or a part thereof is located, after notice and opportunity for hearing.

Article 12. Whenever the United States shall desire, in connection with the project, to construct fish and wildlife facilities or to improve the existing fish and wildlife facilities at its own expense, the Licensee shall permit the United States or its designated agency to use, free of cost, such of the Licensee's lands and interests in lands, reservoirs, waterways and project works as may be reasonably required to complete such facilities or such improvements thereof. In addition, after notice and opportunity for hearing, the Licensee shall modify the project operation as may be reasonably prescribed by the Commission in order to permit the maintenance and operation of the fish and wildlife facilities constructed or improved by the United States under the provisions of this article. This article shall not be interpreted to place any obligation on the United States to construct or improve fish and wildlife facilities or to relieve the Licensee of any obligation under this license.

Article 13. So far as is consistent with proper operation of the project, the Licensee shall allow the public free access, to a reasonable extent, to project waters and adjacent project lands owned by the Licensee for the purpose of full public utilization of such lands and waters for navigation and for outdoor recreational purposes, including fishing and hunting: Provided, That the Licensee may reserve from public access such portions of the project waters, adjacent lands, and project facilities as may be necessary for the protection of life, health, and property.

Article 14. In the construction, maintenance, or operation of the project, the Licensee shall be responsible for, and shall take reasonable measures to prevent, soil erosion on lands adjacent to streams or other waters, stream sedimentation, and any form of water or air pollution. The Commission, upon the request or upon its own motion, may order the Licensee to take such measures as the Commission finds to be necessary for these purposes, after notice and opportunity for hearing.

Article 15. The Licensee shall consult with the appropriate State and Federal agencies and, within one year of the date of issuance of this license, shall submit for Commission approval a plan for clearing the reservoir area. Further, the Licensee shall clear and keep clear to an adequate width lands along open conduits and shall dispose of all temporary structures, unused timber, brush, refuse, or other material unnecessary for the

purposes of the project which results from the clearing of lands or from the maintenance or alteration of the project works. In addition, all trees along the periphery of project reservoirs which may die during operations of the project shall be removed. Upon approval of the clearing plan all clearing of the lands and disposal of the unnecessary material shall be done with due diligence and to the satisfaction of the authorized representative of the Commission and in accordance with appropriate Federal, State, and local statutes and regulations.

Article 16. Material may be dredged or excavated from, or placed as fill in, project lands and/or waters only in the prosecution of work specifically authorized under the license; in the maintenance of the project; or after obtaining Commission approval, as appropriate. Any such material shall be removed and/or deposited in such manner as to reasonably preserve the environmental values of the project and so as not to interfere with traffic on land or water. Dredging and filling in a navigable water of the United States shall also be done to the satisfaction of the District Engineer, Department of the Army, in charge of the locality.

Article 17. If the Licensee shall cause or suffer essential project property to be removed or destroyed or to become unfit for use, without adequate replacement, or shall abandon or discontinue good faith operation of the project or refuse or neglect to comply with the terms of the license and the lawful orders of the Commission mailed to the record address of the Licensee or its agent, the Commission will deem it to be the intent of the Licensee to surrender the license. The Commission, after notice and opportunity for hearing, may require the Licensee to remove any or all structures, equipment and power lines within the project boundary and to take any such other action necessary to restore the project waters, lands, and facilities remaining within the project boundary to a condition satisfactory to the United States agency having jurisdiction over its lands or the Commission's authorized representative, as appropriate, or to provide for the continued operation and maintenance of nonpower facilities and fulfill such other obligations under the license as the Commission may prescribe. In addition, the Commission in its discretion, after notice and opportunity for hearing, may also agree to the surrender of the license when the Commission, for the reasons recited herein, deems it to be the intent of the Licensee to surrender the license.

Article 18. The right of the Licensee and of its successors and assigns to use or occupy waters over which the United States has jurisdiction, or lands of the United States under the license, for the purpose of maintaining the project works or otherwise, shall absolutely cease at the end of the license period, unless the Licensee has obtained a new license pursuant

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to the then existing laws and regulations, or an annual license under the terms and conditions of this license.

Article 19. The terms and conditions expressly set forth in the license shall not be construed as impairing any terms and conditions of the Federal Power Act which are not expressly set forth herein.

111 FERC ¶62,317  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Holyoke Economic Development and Industrial Corporation      Project No. 10806-012  
City of Holyoke Gas & Electric Department

ORDER APPROVING TRANSFER OF LICENSE

(Issued June 22, 2005)

By application filed April 12, 2005, Holyoke Economic Development and Industrial Corporation (HEDIC) and the City of Holyoke Gas & Electric Department (HG&E) request approval to transfer the license<sup>1</sup> for the Station No. 5 Hydroelectric Project, FERC Project No. 10806, from HEDIC to HG&E. The project is located on the Holyoke Canal system, a diversion of the Connecticut River in Hampden County, Massachusetts. The application will be granted, as described below.

The Commission issued public notice of the transfer application. No comments, protests, or motions to intervene were filed.

HEDIC has generally complied with the terms and conditions of the license.<sup>2</sup> HEDIC has paid and agrees to continue to pay annual charges that accrue until the transfer is effective.

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<sup>1</sup> 51 FERC ¶ 62,314 (1990).

<sup>2</sup> As part of the financing and construction plan for the project, on March 11, 1994, HEDIC agreed to sell the project to HG&E, and HG&E concurrently leased the project back to HEDIC for a 10-year term, subject to a provision under which the parties (applicants) could agree to successive five-year renewal periods. *See* the deed and the lease in Exhibit C of the application. The lease terminated effective November 30, 2004, when the applicants decided not to extend the lease. The applicants state (at p. 5 of the application) that the project “should reflect HG&E as the licensee as of December 1, 2004.” To the extent that the quoted statement is a request to back date approval of the transfer, it is denied. When the lease terminated, transferor/licensee HEDIC in essence transferred to transferee HG&E, without Commission approval, its property rights in the project required by standard license Article 5. Backdating approval of the subject transfer application to the termination of the parties’ lease is contrary to Commission

HG&E is a licensee of the Commission and has adequately complied with the terms and conditions of its licenses. The transferee is qualified to hold the subject license and to operate the property under the license. It has agreed to accept all the terms and conditions of the license, and to be bound by the license as if it were the original licensee.

The proposed transfer is consistent with the Commission's regulations and is in the public interest.

The Director orders:

(A) Transfer of the license for the Station No. 5 Hydroelectric Project No. 10806 from Holyoke Economic Development and Industrial Corporation to the City of Holyoke Gas & Electric Department is approved.

(B) Holyoke Economic Development and Industrial Corporation shall pay all annual charges that accrue up to the effective date of the transfer.

(C) Approval of the transfer is contingent upon: (1) transfer of title of the properties under license and delivery of all license instruments to the City of Holyoke Gas & Electric Department, which shall be subject to the terms and conditions of the license as though it were the original licensee; and (2) the City of Holyoke Gas & Electric Department acknowledging acceptance of this order and its terms and conditions by signing and returning the attached acceptance sheet. Within 60 days from the date of this order, the City of Holyoke Gas & Electric Department shall submit certified copies of all instruments of conveyance and the signed acceptance sheet.

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policy because such backdating would condone the failure of HEDIC to retain the necessary rights in project property, as required by its license. *Compare Hydro Development Group, Inc., and Pyrites Assoc.*, 31 FERC ¶ 61,198 at p. 61,408 (1985) (declining to make a license transfer effective as of the date of an unauthorized conveyance of project property).

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(D) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 CFR § 385.713.

Joseph D. Morgan  
Director, Division of Hydropower  
Administration and Compliance



Project No. 10806-012

IN TESTIMONY of its acknowledgment of acceptance of all of the terms and conditions of this order, the City of Holyoke Gas & Electric Department, this 3<sup>rd</sup> day of August, 2005, has caused its name to be signed hereto by James M. Lavelle, its Manager, and its seal to be affixed hereto and attested by Robert H. Griffin, its Secretary, pursuant to a resolution of its Commission, duly adopted on the 3<sup>rd</sup> day of August, 2005, a certified copy of the record of which is attached hereto.

By James M. Lavelle

Attest:

Robert H. Griffin  
Secretary  
(Executed in quadruplicate)